

December 7, 1998 **Via Fax: 974-8882**

Mr. John Cleghorn
President
Royal Bank of Canada
P.O. Box 1, Royal Bank Plaza
200 Bay Street
Toronto, Ontario M5J 2J5

Dear Mr. Cleghorn:

Re: Jamaican Canadian Association (JCA) Construction Loan Request

I am writing on behalf of the membership of the JCA to express our disappointment with your bank's decision not to approve our request for a construction loan. We are puzzled as to why such a solid proposal would not be approved.

I would like to draw to your attention the following: -

The JCA is the largest and oldest of the community organizations serving the needs of the black and Caribbean community here in the GTA.

The JCA has over 36 years of banking relationship the Royal Bank of Canada. Each year, for the past 5 years, our transactions with the bank have averaged approximately \$1 million.

The JCA has never missed a mortgage payment.

The mortgage on our former centre on Dupont Street with Royal Bank was retired well ahead of schedule.

We have considerable equity in our present building. Royal Bank's own appraiser put the appraised value at \$1.45 million.

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Our "debt to cash flow" ratio of 2.80%-4.12% over the next two years is well above your bench mark of 1.25%.

Your Bank's decision will impact not only the Jamaican community but also the wider black and Caribbean community.

Stephen Lewis' June 9, 1992 report to the Ontario government (page 34-35) highlighted the difficulty black community projects have in getting bank financing. It is hard to believe little has changed since then.

We, the Board of Directors, strongly believe that your Bank's decision is not justifiable. We would like you to review our proposal, which we are enclosing, and to grant approval.

Should you require a meeting to further discuss our proposal and request we will be happy to meet with you as early as possible.

Your Bank's decision has repercussions that go far beyond the Jamaican community and we have scheduled a townhall meeting with the wider black and Caribbean community for Sunday, December 20, 1998. A decision on our request prior to that date would be appreciated.

Yours truly,

Jamaican Canadian Association



per: Herman Stewart
President

cc: George Gaffney, Royal Bank
JCA Board of Directors